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SUBJECT: THREE AREAS UPDATE - NEW OPPORTUNITIES AND OLD CHALLENGES

REF: KHARTOUM 752

Summary

¶1. (U) On June 16, the Three Areas Donor Steering Group discussed developments in the operating environment in Southern Kordofan and Abyei. The group also discussed Steering Group participation in the June 22-23 Forum for Supporters of the Comprehensive Peace Agreement (CPA) hosted by Special Envoy for Sudan Scott Gration in Washington. Participants agreed the forum presents the opportunity for high-level engagement on a range of issues pertinent to the Three Areas. These include improvements in the operating environment, federal commitments to fiscal transfers to state administrations, and concerns regarding an ineffective U.N. Mission in Sudan (UNMIS) in Abyei. Three Areas Donor Steering Group Strategic Advisor Jason Matus reported on his recent travel to the region, noting significant progress in state-level commitments to facilitate recovery and development assistance in Southern Kordofan. However, he also spoke about worrying trends and tense security conditions in Abyei in the lead up to the anticipated July announcement by The Hague's Permanent Arbitration Court of its decision on border demarcation. End Summary.

Three Areas Steering Committee

¶2. (U) On June 16, representatives from the European Commission, the Swedish Embassy, the Canadian Embassy, the U.K. Department of International Development (DFID), and USAID's Offices of Transition Initiatives and U.S. Foreign Disaster Assistance, met for a Three Areas Working Group discussion of current developments in these states and to strategize about potential items for discussion at the upcoming CPA Forum in Washington. The Steering Group is to be represented by Strategic Advisor Jason Matus at the meetings, which will include high-level delegations from CPA signatories and witnesses.

¶3. (U) Matus recently returned from Abyei and Southern Kordofan, where he met with state/administration-level officials and sought to gain traction for key operating-environment improvements necessary for CPA implementation and the facilitation of recovery and development assistance. Matus provided starkly different outlooks for each area: an extremely positive view of potential improvements in Southern Kordofan and an alarmingly negative account of current developments in Abyei Area. Matus plans to provide this field perspective, as well as to table the Steering Group's priority discussion items, at next week's CPA meetings.

Abyei: Tensions Mount

¶4. (SBU) During his early June visit to Abyei, Matus noted an increasingly tense situation in the entire area under arbitration. Matus reported that Dinka Ngoc families are moving south, while Misseriya traders are departing towards the north, anticipating violent reactions to The Hague's Permanent Court of Arbitration Abyei border demarcation decision announcement, expected before July 23. Matus relayed worrying messages from government officials that indicate a lack of understanding regarding the arbitration decision - including misperceptions that the decision will determine whether Abyei is part of the north or the south. Matus expressed concern regarding the implications of pre-emptive population movements, as well as ongoing insecurity and violent incidents along the Kharasana-Heglig road. These incidents indicate a disturbing security void in the area in the run-up to the arbitration decision.

¶5. (SBU) At the same time, UNMIS peacekeepers charged with maintaining peace and supporting the Abyei Area Administration are limited to the Abyei Road Map area and lack a presence in other areas under arbitration. Matus noted that the potential for violent outbursts following the arbitration decision is even higher in areas beyond the Road Map boundaries. However, UNMIS currently has no presence north of Abyei, in Misseriya areas in the western sector of Southern Kordofan State. UNMIS engagement in this area is necessary to manage conflicts related to Abyei area and to protect Ngok Dinka communities there. In addition, Steering Group participants noted that the UNMIS sector-management approach, with no overall coordinator working across sector borders, lacks flexibility to respond to outbreaks of conflict.

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¶6. (SBU) Police presence and UNMIS monitoring are critical to prevent localized conflicts from escalating into clashes between armies. However, Matus reported a lack of police presence in the area including no police chief. UNMIS must identify potential flashpoints and reposition peacekeepers, particularly if Sudanese Armed Forces (SAF) and Sudanese People's Liberation Army (SPLA) soldiers do not follow through with agreed troop withdrawals. In addition, Matus pointed out that the Joint Integrated Unit (JIU), Joint Integrated Police Unit (JIPU), and civil affairs will play critical roles in preventing the worst-case scenario. Matus noted that Valentino, the respected JIU commander, will rotate out in the coming week, with no capable replacement in sight. [Note: The May 2008 fighting that destroyed Abyei town began and escalated in Valentino's absence. It is widely believed that had he been there, the conflict would not have escalated. End note.]

¶7. (SBU) Matus reported concerns that as tensions mount in Abyei, SPLA troops are encroaching into the humanitarian zone in and around Agok, where relief agencies are providing assistance to the Abyei IDPs and host communities. Matus, an experienced relief worker, commented that the presence of armed soldiers in the civilian zones is the greatest threat to humanitarian agencies because the armed soldiers have repeatedly been involved in fights and fired weapons. During his visit, Matus delivered a clear message to Abyei Administration representatives: Agok must be demilitarized.

¶8. (SBU) While tension mounts in Abyei Area, non-governmental organizations (NGOs) also face ongoing constraints, most notably harassment by Bol Dau Deng, the Abyei Southern Sudan Relief and Rehabilitation Commission (SSRRC) representative. Deng is extrajudicially taxing distributions, denying stay permits, and generally dominating the NGO environment, according to Matus. Matus raised the issue with the Abyei Administration leadership. As elections approach, Matus cautioned Abyei authorities against adopting a "returns first" or "filling Abyei" approach to elections and the referendum. Matus stated that such coercive approaches to increase either Misseriya or Dinka voting populations would be particularly volatile and further destabilize the region, potentially creating additional humanitarian needs.

¶9. (SBU) At the Administration level, budget woes continue to mount, with little funding available for capital and development

expenditures. Further, the Presidency has drawn up plans to re-structure the Abyei Administration, splitting ministries between the Sudan People's Liberation Movement-appointed (SPLM) Administrator and National Congress Party-appointed (NCP) Deputy Administrator. [Note: This plan corresponds with the Deputy Administrator's previous comment to USAIDoff that the NCP is attempting to channel all the Administration's development funds through him, instead of the formal SPLM-led channels of government. End note.]

¶10. (SBU) The Abyei Administration remains dependent on the Government of National Unity's (GNU) -- and therefore NCP's -- time-table and project priorities. The first phase of USD 59 million in funding received was used primarily to pay salaries and operating costs. Although the Presidency has not provided development or support for basic services, it did recently provide the Administration with late-model land cruisers. [Note: Similarly, the then-SPLM Governor of Southern Kordofan received no funds from the Presidency to provide development of services to citizens during his governorship, but did receive new vehicles, thus creating a public perception that the Governor was more interested in his own than in his constituent's welfare. End note.] The Steering Group noted the importance of timely fiscal transfers from the federal level to Three Areas administrations to enable those governments to implement fundamental aspects of the CPA effectively.

Southern Kordofan: Haroun Means Business

¶11. (U) From June 4-9, Matus traveled to Southern Kordofan to introduce the Three Areas Steering Group to the newly-appointed Governor and Deputy Governor, sit in on the joint state and federal planning and budget meeting in Kauda, and discuss ways to improve Southern Kordofan's working environment for NGOs, private companies, and donors. Matus observed that Governor Ahmed Haroun and Deputy Governor Aziz Adam al-Hilu are working diligently together and have plans to quickly integrate and develop former SPLM-controlled areas, aiming to make significant progress prior to the February 2010 general elections. Matus said the Governor and Deputy Governor held successful meetings in Kauda with the state ministries and SPLM *Secretariats, during which the Governor announced plans to provide assistance in Kauda and integrate the civil administration and civil

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service into state payrolls.

¶12. (SBU) While some question International Criminal Court indictee and former Ministry of Humanitarian Affairs State Secretary Haroun's motives, Matus opined the Governor's stated priorities are a marked improvement over the previous administration. He said he believes there is now an opportunity to create momentum toward stability and development in Southern Kordofan. Haroun reportedly agreed to work on initial and multi-entry visas for NGO staff, support NGO and donor travel using identification cards rather than travel permits, and facilitate state-level, rather than federal-level technical agreements. However an unlikely figure, Haroun, in Matus' view, could be an ally to assist the Three Areas development community in moving balanced recovery forward and development programming and improvements in the operating environment.

¶13. (SBU) Steering Group participants noted that several commitments made by Haroun are federal-level responsibilities; including resolving NGOs' concerns regarding visas, travel permits, and technical agreements. It remains to be seen whether or not Haroun holds the power at the state level and/or the influence at the federal level to reduce the existing federal bureaucratic impediments. However, whatever his ability to change the operating environment, they concurred that Haroun's agreement with the Steering Group's priorities is a welcome development. A notable exception is the "two-door policy," by which NGOs working in former NCP and SPLM-controlled areas could co-register in Khartoum and Juba. Haroun removed this Steering Group suggestion from his priority list.

¶12. (SBU) Matus noted that, after years of neglect, he believed

Southern Kordofan now has the potential to surge ahead of Abyei and Blue Nile in recovery and development, due to Governor Haroun's promised rapid improvements in the operating environment and civil administration. Haroun and Deputy Governor Aziz have not indicated interest in championing reform in the entire Three Areas; however, progress made in Southern Kordofan could lend momentum to other area's discussions. The planned Three-Areas Governor's Forum could provide a platform for such a dialogue, focusing on necessary conditions for stability and development.

Joint Communique: Still in Question

¶13. (U) Head of the Three Areas UN Resident Coordinator's Office Clark Soriano briefed Steering- Group participants on potential mechanisms to improve the Three Areas operating environment for NGOs, UN agencies, and donors. The UN is considering advocating for one of four approaches, including: 1) developing one or more Joint Communiques for the Three Areas that would be separate from the Darfur Joint Communique, 2) supporting state governors or administrators to make state-level improvements, 3) continuation and extension of established mechanisms through the Ministry of International Cooperation (MIC) and current UN mechanisms, and 4) establishing monitoring mechanisms based on the Three Areas assessment reports. Soriano noted that the key question is: Which option offers the most leverage and presents the best opportunity for all stakeholders, including the Government of Southern Sudan, to engage in the process?

¶14. (SBU) Participants agreed that the MIC unquestionably lacks the capacity and leverage with the GNU Humanitarian Aid Commission (HAC) to take up NGO concerns. Thus, making MIC responsible for key operating environment improvements, such as visas and travel permits, would be ineffectual. In addition, donors observed that, while state-level officials have the greatest incentive to make improvements and open their states to recovery and development funding, it remains to be seen whether federal-level officials could hold state-level progress hostage.

¶15. (SBU) A high-level committee and Joint Communique focused on the Three Areas could offer opportunities to engage all of the relevant Three-Areas stakeholders at the federal and state levels, including those controlling the bureaucratic procedures that impede the progress of recovery and development activities and GOSS and SPLM representatives. However, as one donor noted, the Darfur Joint Communique has yet to reduce restrictions and improve access to levels required for successful development programming, which requires consistent unimpeded access and confidence in the rule of law. The UN is keeping its options open on this issue, but seems less interested in developing a Three Areas Joint Communique.

Key CPA Forum Messages

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¶16. (U) As highlighted in the Steering Group's discussions, enhanced security, fiscal transparency and stability, and improved conditions for recovery and development remain vital to the full and peaceful implementation of the CPA in the Three Areas. Participants agreed that the Three Areas Steering Group Strategic Advisor should raise three related issues at the upcoming CPA Forum: 1) security improvements through flexible and balanced UNMIS deployments; 2) progress in the Three Areas operating environment through a Joint Communique or other mechanism; and 3) GNU compliance with existing agreements, including timely and transparent fiscal transfers to state and local administrations.

Comment

¶17. (SBU) A series of events, including the NGO expulsions, the appointment of Haroun as Southern Kordofan governor, and the

anticipated Abyei arbitration decision, place the Three Areas at a critical juncture for stability, recovery, and development, providing a mixed outlook of what the future may hold for the region. Positive movement on state integration and CPA implementation in Southern Kordofan will be hampered unless the operational environment for development programs and regularized, significant, and transparent fiscal transfers to the state government are improved. Reports of renewed tension in Abyei and a lack of effective security mechanisms there are troubling. The CPA Forum offers an opportunity to clarify the way forward and determine whether the relevant actors, including UN, federal, and state officials, will agree on steps to improve the situation and build the foundation for a lasting peace.

ASQUINO